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FEDERAL COMMUNICATIONS COMMISSION
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BEFORE THE

Federal Communications Commission

WASHINGTON, D.C. 20554

In the Matter of:

Implementation of Section 17 of the
Cable Television Consumer Protection
and Competition Act of 1992

Compatibility Between Cable Systems
and Consumer Electronics Equipment

ET Docket No. 93-7

COMMENTS IN SUPPORT OF INTER-INDUSTRY PROPOSAL

Time Warner Entertainment Company, L.P. ("Time Warner"), by its attorneys, hereby respectfully submits these comments in support of the inter-industry proposal submitted on July 21, 1993 by the Cable-Consumer Electronics Compatibility Advisory Group ("Advisory Group") in the above-referenced proceeding. Time Warner fully supports the proposal advanced by the Advisory Group for achieving compatibility between consumer electronics equipment and cable television systems. The Advisory Group's proposal represents a substantial effort by both industries to resolve difficult compatibility issues in a

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manner which is fair to both industries and which recognizes that the interests of the consumers should be paramount.

Time Warner believes that the Advisory Group proposal achieves the statutory requirement to balance the need for cable subscribers to enjoy the full benefits of the programming available on cable systems and the functions available on their televisions and video cassette recorders with the cable industry's need to prevent theft of service and protect the copyrights of artists. The Advisory Group's proposal stresses the importance of signal security to protect the creative works of artists and recognizes that scrambling is currently the most reliable and superior method of protecting those rights. The Advisory Group's recommendations also recognize the importance of experimentation and innovation in the development of new services in a climate of rapid technological change. At the same time, there is an agreement by both industries not only to solve the compatibility problems with today's analog technologies, but to work together to develop and implement compatible interface devices that will assure compatibility in the digital age. In this way, the Advisory Group's recommendations go even beyond what is required by Section 17 of the 1992 Cable Act.

Time Warner urges the FCC to adopt the Advisory Group's recommendations both with respect to short-term measures to improve compatibility and the more fundamental longer term solutions. The short-term measures rely on existing hardware to address the limitations associated with the deployment of set-top converters and converter/descramblers. By requiring cable operators to make this hardware available to consumers along with

improved consumer education, consumers will be able to enjoy the advanced television picture generation and display capabilities, the ability to watch one channel while recording another, and the ability to sequentially tape programs on different channels as Congress intended. Additionally, these short-term measures fully take into account the significant embedded base of both cable plant and equipment and consumer electronics equipment. Thus, these short-term measures protect the consumer from having its investment in electronics equipment made obsolete or from having to foot the bill in the form of higher cable rates for costly and unnecessary cable system rebuilds.

Time Warner also fully supports the longer term measures which are advocated by the Advisory Group. Time Warner agrees that the term "cable-ready" needs to be defined in a way that fulfills consumer expectations. Cable-ready products must reflect improvements in receiver design characteristics which accommodate differences between the broadcast and cable environments, the increasing channel capacity of cable systems and the implementation of an appropriate decoder interface. We believe that these criteria will result in improved video and audio quality by reducing or eliminating redundant signal processing, increased reliability, reduced energy consumption, reduced cost and increased ability to adapt to new technologies, such as digital television.

The proposal advanced by the Advisory Group is the result of long and arduous negotiations to reach compromise between the two industries in a manner that fulfills statutory requirements and serves consumer needs. Most importantly, the proposal establishes a process that will promote further progress in the future. Time Warner urges the

Commission to recognize the monumental task accomplished by the Advisory Group by adopting its recommendations.

Respectfully submitted,

TIME WARNER ENTERTAINMENT
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